

ARTICLE APPEARED
ON PAGE **10-B**WASHINGTON TIMES
25 October 1985

Fungus threatens Nicaraguan cotton

By Tom Diaz
THE WASHINGTON TIMES FOREIGN SERVICE

MANAGUA, Nicaragua — The battered Nicaraguan economy has been hit with a new danger that threatens to wipe out the country's cotton industry, its second most important source of foreign exchange.

Western diplomats and Nicaraguan sources say the country's cotton crop has been infected with xanthonoma — a fungus that causes plants and cotton balls to shrivel, blacken and die.

Sandinista government officials at first ignored warnings from cotton growers that the fungus had taken hold in this year's crop. Once the extent of the infection became apparent, they then accused the U.S. Central Intelligence Agency of causing the outbreak.

But diplomatic sources and an experienced cotton farmer say the infection is the direct result of two mistakes by the Sandinista officials who direct the cotton industry.

"They didn't plow under the last crops properly," said the cotton farmer, who asked not to be named. "And they did not properly disinfect the seeds."

A Western diplomatic source said the major cause of the problem is probably the failure to properly disinfect the seeds.

"First you have to remove all of the lint around cotton seeds, and then fumigate them to kill xanthonoma," he said. "They apparently tried to take a short cut to save money and did not get all of the lint off of the seeds."

"As a result, when they fumigated, they didn't kill all of the spores," he said.

The potential consequences of the plague go beyond this year's crop.

Since the fungus infects the soil, it could last for years. If that happens, the cotton crop will be imperiled for years to come.

"They'll have to come up with some other crop in the infected areas," the Western diplomat said. "Right now they are talking about getting another strain of seed that is resistant to the disease, but that's pie-in-the-sky thinking."

The xanthonoma plague is only the latest in a series of economic disasters that have plunged Nicaragua — once a net exporter of agricultural products and food — into the status of a world beggar since the 1979 revolution.

"But I'm not among those who think that Sandinistas will go under because of the economy," said one Western diplomat. "The Soviet Union and the Eastern bloc have put a safety net under Nicaragua. It's the only thing that keeps the country going."

Nicaraguan businessmen and many U.S. observers blame the economy's slide on the Marxist economic policy and the state planning that the Sandinista regime has imposed on the country.

Although, in theory, the government permits a mixed economy, with some private enterprise still allowed to function, business leaders claim the arrangement is a facade.

"There is no free enterprise in Nicaragua," said Ramiro Gurdian, vice president of COSEP, a coalition of businessmen. "Here we have two sectors — one totally owned and controlled by the government, the other privately owned but totally controlled by the government."

Mr. Gurdian said government officials establish wages, prices, credit terms and amounts that will be invested in private enterprises.